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**CONTACT:**

Mary Rose Brown

210-918-2314

maryrose.brown@nustarenergy.com

**NUSTAR PIPELINE EXPANSION INCREASES CAPACITY TO SUPPLY  
FUEL TO NORTHERN MIDWEST STATES**

*North Dakota, South Dakota, Nebraska and Iowa to See Significant Benefit*

**SAN ANTONIO, September 9, 2009** – NuStar Energy L.P. (NYSE: NS) has completed construction of a pipeline project that will significantly improve the flow of motor fuels into the northern Midwest states. In recent years, states such as the Dakotas, Nebraska and Iowa have at times experienced supply shortages due to limited pipeline capacity in the region.

NuStar's 12.5-mile extension of its East Pipeline system from El Dorado, Kansas, to Potwin, Kansas, increases the capacity and operational flexibility of its larger pipeline system in the region. It also significantly improves the company's ability to respond to supply interruptions as the new extension increases the speed by which resupplies of fuel can be moved from southern regions to NuStar's network of refined products terminals.

With the additional pipeline and new pump systems, NuStar now has gasoline product flow rates of over 96,000 barrels per day (BPD) out of El Dorado, which is the equivalent of more than 4 million gallons per day, more than double its previous capacity. The new line also allows for delivery of approximately 89,000 BPD (3.7 million gallons per day) of fuel oil, also more than double its original capacity.

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“This project is a win for consumers in the northern Midwest states because they will not be as exposed to supply shortages during peak demand periods as they have been in the past, and it’s a win for NuStar because it significantly increases our system efficiency,” said NuStar President and CEO Curt Anastasio. “The system has been tested and placed into service, and it is meeting or exceeding our design models as well as our expectations.”

NuStar owns and operates two pipelines that stretch over 58 miles from El Dorado to McPherson, Kansas, including an eight-inch pipeline and a 10-inch pipeline. This 58-mile stretch is a critical link in the 2,090-mile system that provides refined products to the states north of Kansas. The new pipeline fills a 12.5-mile gap on the 10-inch line from El Dorado to Potwin, thereby eliminating bottlenecks and supply shortages that occurred on the eight-inch line during peak-demand periods in the past. The project also enhances NuStar’s operational flexibility to keep refined products flowing when regional supply is reduced due to planned and unplanned refinery maintenance.

The \$16.1 million extension project, which was completed within budget, involved nearly a year of planning and engineering work, and approximately five months of construction work. The project was completed with no injuries or environmental spills. And beyond the increased flow capacities, NuStar is realizing energy savings with new high-efficiency pumps that were included with the project.

In addition to this new pipeline project, NuStar has spent nearly \$15 million on improvements to the East Pipeline System in the last six years. These improvements include pipeline segment capacity increases, pipeline and terminal automation, terminal bottom loading conversions, storage increases, and information systems.

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## **NuStar Energy L.P.**

NuStar Energy L.P. is a publicly traded, limited partnership based in San Antonio, with 8,407 miles of crude oil and refined product pipelines; 82 terminal facilities that store and distribute crude oil, refined products and specialty liquids; four crude oil storage tank facilities; and two asphalt refineries with a combined throughput capacity of 104,000 barrels per day. The partnership's combined system has nearly 91 million barrels of storage capacity. One of the largest asphalt refiners and marketers in the U.S. and the second largest independent liquids terminal operator in the nation, NuStar has operations in the United States, the Netherlands Antilles, Canada, Mexico, the Netherlands and the United Kingdom. For more information, visit NuStar Energy L.P.'s Web site at [www.nustarenergy.com](http://www.nustarenergy.com).